

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Linda M. Hodgdon, Commissioner

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Monthly Revenue Summary

	<i>(for month)</i>		
	<u>FY 13</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 106.5	\$ 111.5	\$ (5.0)
Highway	\$ 22.5	\$ 21.3	\$ 1.2
Fish & Game	\$ 0.7	\$ 0.8	\$ (0.1)

Current Month

General & Education Funds	<i>FY 13 Actuals</i>	<i>FY 13 Plan</i>	<i>Actual vs. Plan</i>	<i>% Inc/(Dec)</i>
Business Profits Tax	\$ 8.6	\$ 8.2	\$ 0.4	4.9%
Business Enterprise Tax	5.9	5.0	0.9	18.0%
Subtotal Business Taxes	14.5	13.2	1.3	9.8%
Meals & Rentals Tax	27.1	26.2	0.9	3.4%
Tobacco Tax	19.5	22.5	(3.0)	-13.3%
Transfer from Liquor Commission	13.2	14.2	(1.0)	-7.0%
Interest & Dividends Tax	0.8	0.9	(0.1)	-11.1%
Insurance Tax	1.3	1.3	-	0.0%
Communications Tax	5.4	6.9	(1.5)	-21.7%
Real Estate Transfer Tax	8.2	9.6	(1.4)	-14.6%
Court Fines & Fees	1.3	1.2	0.1	8.3%
Securities Revenue	0.4	0.5	(0.1)	-20.0%
Utility Consumption Tax	0.5	0.5	-	0.0%
Board & Care Revenue	2.4	1.7	0.7	41.2%
Beer Tax	1.3	1.4	(0.1)	-7.1%
Other	4.8	5.2	(0.4)	-7.7%
Transfer from Lottery Commission	5.2	5.5	(0.3)	-5.5%
Transfer from Racing & Charitable Gaming	-	0.3	(0.3)	-100.0%
Tobacco Settlement	-	-	-	
Utility Property Tax	0.2	-	0.2	100.0%
State Property Tax	-	-	-	
Subtotal Traditional Taxes & Transfers	106.1	111.1	(5.0)	-4.5%
Net Medicaid Enhancement Revenue	-	-	-	
Recoveries	0.4	0.4		0.0%
Total Receipts	\$ 106.5	\$ 111.5	\$ (5.0)	-4.5%

* The above amounts do not reflect \$1.2 million of Medicaid Enhancement Tax collected in July, which was attributable to FY 12 and not included in the FY 13 plan.

All funds reported on a cash basis, dollars in millions.

Analysis

Unrestricted revenue for the General and Education Funds received during August totaled \$106.5 million, which was below the plan by \$5.0 million and below prior year by \$2.8 million. Year to date (YTD) revenue totaled \$206.2 million, which was above the plan by \$2.9 million and above prior year by \$10.6 million.

Business Taxes were above plan by \$1.3 million (10%) and \$1.5 million (12%) above prior year. According to the Dept. of Revenue (DRA), collections from tax notices exceeded August of last year by 135% which was partially offset by a 6% decline in other payments (extensions, returns and estimates). Notice revenue in August included large amounts from a small number of filers, and YTD refunds are relatively flat with prior year. YTD revenue is tracking 14% above plan and 15% above prior year. Next month, 3rd quarter estimated payments are due from businesses following a calendar tax year.

Net Meals and Rentals Tax (M&R) receipts this month came in above plan by \$0.9 million and above prior year by \$0.4 million. As can be seen in the chart on page 2, YTD gross revenue receipts, before the effect of Debt Service transfers, were 5% above prior year.

Tobacco Tax collections were below plan by \$3.0 million and below prior year by \$4.3 million bringing YTD collections below both plan and prior year by approximately 6%. This month's shortfall vs. Plan and prior year appears to be the result of approximately \$2.3 million less collected on bonded sales (receivables) and lower stamp volume. The Plan assumed a volume reduction of approximately 5% vs. prior year; however, the actual volume reduction appears to have been approximately 10%. Note: Approximately \$1.8 million of Tobacco stamps were sold on the last day of August, for which the revenue will be reported in September. Also note: The rate reduction of \$.10 per pack, effective July 1, 2011, had an impact on the month of approximately \$1.0 million.

Communication Tax receipts for August were \$1.5 million below plan and \$1.3 million below prior year. According to DRA, these results mostly reflect the effects of Chapter 279, Laws of 2012 which excluded charges of Internet Access Service from the tax. DRA estimates the effect of this change will be a monthly reduction of approximately \$0.5 million of revenue.

The **Real Estate Transfer tax** performed below both plan and prior year by \$1.4 million (15%) and \$1.6 million (16%), for the month respectively. Per DRA, while the number of county transactions continued its upward trend year over year, growing 20% from the same month last year, collections were lower than prior year due to higher-value holding company transactions which occurred in the same month last year.

Contributions by the **State Liquor Commission**, while continuing to outperform prior year, are behind year to date plan \$0.7 million (3.0%). Although sales and net profit are higher than prior year, the cost of promotion and discounts to generate this increase have been higher than planned.

RET Analysis (In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	8.5	8.2										
FY12	7.6	9.8	7.7	6.6	7.0	6.1	8.0	5.4	4.3	5.7	6.5	7.9
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1	5.1	5.6	8.4	6.4
Mo over Mo	0.9	(1.6)										
% Mo over Mo	12%	-16%										
YTD change over Prior Year	0.9	(0.7)										
% YTD change	12%	-4%										

Business Tax Refund Analysis												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	1.1	1.5										
FY12	1.2	1.6	3.2	1.8	5.5	3.8	4.0	1.3	1.5	1.2	3.5	4.1
FY11	3.4	0.9	3.5	5.2	6.1	2.5	15.0	3.5	3.3	2.1	2.7	2.2
Mo over Mo change	(0.1)	(0.1)										
YTD change	(0.1)	(0.2)										

M&R Analysis								
August			YTD					
	FY 13	FY 12	Diff	FY 13	FY 12	Diff		
Gross Collections	28.3	27.9	0.4	52.8	50.2	2.6		
Bldg Aid Debt Svc Transfer	(1.2)	(1.2)	-	(2.4)	(2.4)	-		
Net Revenue	27.1	26.7	0.4	50.4	47.8	2.6		

General & Education Funds Comparison to FY 12

General & Education Funds	Monthly			Year-to-Date			% Inc/(Dec)
	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	
Business Profits Tax	\$ 8.6	\$ 7.9	\$ 0.7	\$ 19.1	\$ 17.0	\$ 2.1	12.4%
Business Enterprise Tax	5.9	5.1	0.8	13.3	11.1	2.2	19.8%
Subtotal Business Taxes	14.5	13.0	1.5	32.4	28.1	4.3	15.3%
Meals & Rentals Tax	27.1	26.7	0.4	50.4	47.8	2.6	5.4%
Tobacco Tax	19.5	23.8	(4.3)	38.7	41.3	(2.6)	-6.3%
Transfer from Liquor Commission	13.2	13.8	(0.6)	25.3	23.8	1.5	6.3%
Interest & Dividends Tax	0.8	0.9	(0.1)	1.8	1.1	0.7	63.6%
Insurance Tax	1.3	1.4	(0.1)	2.5	2.3	0.2	8.7%
Communications Tax	5.4	6.7	(1.3)	12.6	13.5	(0.9)	-6.7%
Real Estate Transfer Tax	8.2	9.8	(1.6)	16.7	17.4	(0.7)	-4.0%
Court Fines & Fees	1.3	1.2	0.1	2.4	2.3	0.1	4.3%
Securities Revenue	0.4	0.5	(0.1)	0.7	0.8	(0.1)	-12.5%
Utility Consumption Tax	0.5	0.5	-	0.9	0.9	-	0.0%
Board & Care Revenue	2.4	1.9	0.5	4.9	2.8	2.1	75.0%
Beer Tax	1.3	1.2	0.1	2.6	2.6	-	0.0%
Other	4.8	2.4	2.4	8.5	5.4	3.1	57.4%
Transfer from Lottery Commission	5.2	5.1	0.1	5.2	5.1	0.1	2.0%
Transfer from Racing & Charitable Gaming	-	0.2	(0.2)	-	0.2	(0.2)	-100.0%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	0.2	(0.1)	0.3	0.2	(0.1)	0.3	-300.0%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	106.1	109.0	(2.9)	205.8	195.3	10.5	5.4%
Net Medicaid Enhancement Rev Recoveries	-	-	-	-	-	-	-
	0.4	0.3	0.1	0.4	0.3	0.1	33.3%
Total Receipts	\$ 106.5	\$ 109.3	\$ (2.8)	\$ 206.2	\$ 195.6	\$ 10.6	5.4%

All funds reported on a cash basis, dollars in millions.

General and Education Funds

Year-to-Date Comparison to Plan

General & Education Funds	General			Education			Total			% Inc/(Dec)
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$ 15.8	\$ 14.5	\$ 1.3	\$ 3.3	\$ 3.1	\$ 0.2	\$ 19.1	\$ 17.6	\$ 1.5	8.5%
Business Enterprise Tax	4.5	3.6	0.9	8.8	7.2	1.6	13.3	10.8	2.5	23.1%
Subtotal Business Taxes	20.3	18.1	2.2	12.1	10.3	1.8	32.4	28.4	4.0	14.1%
Meals & Rentals Tax	48.8	45.6	3.2	1.6	1.5	0.1	50.4	47.1	3.3	7.0%
Tobacco Tax	23.8	23.3	0.5	14.9	18.2	(3.3)	38.7	41.5	(2.8)	-6.7%
Transfer from Liquor Commission	25.3	26.0	(0.7)	-	-	-	25.3	26.0	(0.7)	-2.7%
Interest & Dividends Tax	1.8	1.1	0.7	-	-	-	1.8	1.1	0.7	63.6%
Insurance Tax	2.5	2.3	0.2	-	-	-	2.5	2.3	0.2	8.7%
Communications Tax	12.6	14.0	(1.4)	-	-	-	12.6	14.0	(1.4)	-10.0%
Real Estate Transfer Tax	11.1	11.4	(0.3)	5.6	5.7	(0.1)	16.7	17.1	(0.4)	-2.3%
Court Fines & Fees	2.4	2.3	0.1	-	-	-	2.4	2.3	0.1	4.3%
Securities Revenue	0.7	1.0	(0.3)	-	-	-	0.7	1.0	(0.3)	-30.0%
Utility Consumption Tax	0.9	1.0	(0.1)	-	-	-	0.9	1.0	(0.1)	-10.0%
Board & Care Revenue	4.9	3.4	1.5	-	-	-	4.9	3.4	1.5	44.1%
Beer Tax	2.6	2.8	(0.2)	-	-	-	2.6	2.8	(0.2)	-7.1%
Other	8.5	8.7	(0.2)	-	-	-	8.5	8.7	(0.2)	-2.3%
Transfer from Lottery Commission	-	-	-	5.2	5.5	(0.3)	5.2	5.5	(0.3)	-5.5%
Transfer from Racing & Charitable Gaming	-	-	-	-	0.6	(0.6)	-	0.6	(0.6)	-100.0%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	0.2	-	0.2	0.2	-	0.2	100.0%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	166.2	161.0	5.2	39.6	41.8	(2.2)	205.8	202.8	3.0	1.5%
Net Medicaid Enhancement Rev	-	-	-	-	-	-	-	-	-	-
Recoveries	0.4	0.5	(0.1)	-	-	-	0.4	0.5	(0.1)	-20.0%
Total Receipts	\$ 166.6	\$ 161.5	\$ 5.1	\$ 39.6	\$ 41.8	\$ (2.2)	\$ 206.2	\$ 203.3	\$ 2.9	1.4%

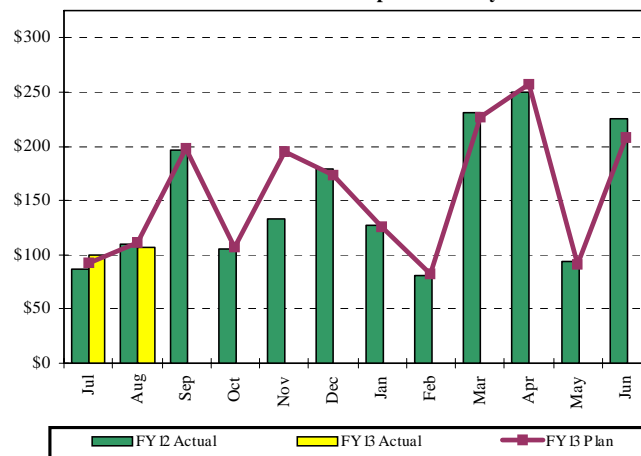
* The above amounts do not reflect \$10.7 million of Medicaid Enhancement Tax collected year-to-date, and \$1.0 million of Interest & Dividends revenue delayed due to system implementation issues, which were both attributable to FY 12 and not included in the FY 13 plan.

Education Trust Fund Statement of Activity - FY 2013 July 1, 2012 to August 31, 2012

Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	39.6
Expenditures	
Education Grants & Adm Costs	(120.6)
Ending Surplus (Deficit) - unaudited	\$ (81.0)

Fiscal 2013 Adequate Education Grant payments of \$578.7 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.1 million of grants through local retention of Statewide Property Tax collections. The FY 2013 budget anticipated a deficit of \$130.5 million, to be covered by a General fund transfer at year end.

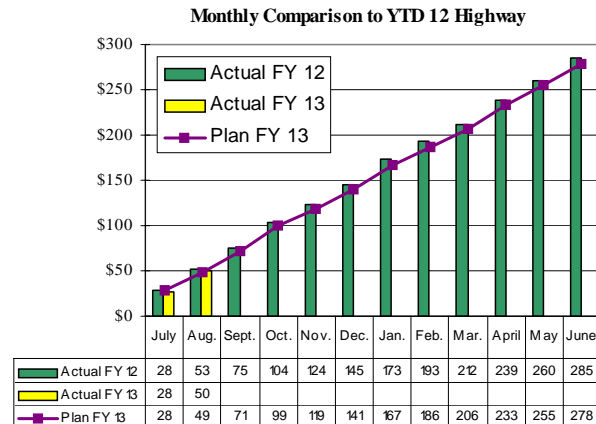
General & Education Funds, excluding State Property Tax FY 13 vs. FY 12 Comparative Analysis



All funds reported on a cash basis, dollars in millions.

Highway Fund

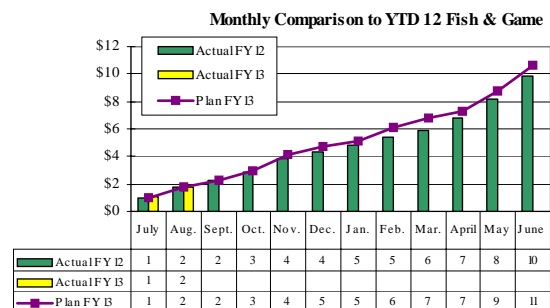
Comparison to Plan			
Revenue Category	year-to-date		
	FY 13 Actuals	FY 13 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 21.1	\$ 21.0	\$ 0.1
Miscellaneous	10.2	8.9	1.3
Motor Vehicle Fees			
MV Registrations	13.0	13.5	(0.5)
MV Operators	2.1	1.9	0.2
Inspection Station Fees	0.6	0.7	(0.1)
MV Miscellaneous Fees	1.8	1.9	(0.1)
Certificate of Title	1.2	1.0	0.2
Total Fees	18.7	19.0	(0.3)
Total	\$ 50.0	\$ 48.9	\$ 1.1



Highway Fund revenues came in 2% above plan and according to the Department of Transportation, the **Miscellaneous** category benefited from higher than anticipated receipts of cost reimbursement (revenue) for Federal projects, which Department officials indicate is not a timing variance versus plan.

Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 13 Actuals	FY 13 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 1.5	\$ 1.6	\$ (0.1)
Fines and Penalties	-	-	-
Miscellaneous Sales	-	0.1	(0.1)
Federal Recoveries Indirect Costs	0.3	0.1	0.2
Total	\$ 1.8	\$ 1.8	\$ -



All funds reported on a cash basis, dollars in millions.

Sales of Cigarette Stamps			
Total sold June through August for each of last six years *			
(number of stamps, in thousands)			
Prepared from data provided by DRA			
Year	Sales of Stamps	Volume Change	Percent Change
2013	33,487	(2,974)	-8.2%
2012	36,461	485	1.3%
2011	35,976	(1,016)	-2.7%
2010	36,992	(7,016)	-15.9%
2009	44,009	(225)	-0.5%
2008	44,234		
*Analysis period intended to smooth the effects of July 1 tax adjustments			
Stamp counts include all days through the end of the month. Cash collections can be delayed one day.			

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